

FRENCH MILITARY

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HERALD

# Held Out of Hand

By Drew Pearson

When President Eisenhower for bigger Government programs to create jobs haven't said last week that the French-Tunisian dispute was difficult, he was being diplomatic. For the CIA and State Department reports sent him from Paris indicate that the French military are seriously out of hand and that France faces its most serious political crisis since the days of Napoleon.

Even if Premier Gaillard ordered the French army to evacuate Tunisia it's doubtful if he could get the generals to obey. The French military is so completely out of hand that foreign diplomats in Paris, including the Russian Ambassador, frequently consult not the Premier but General de Gaulle—the only man who seems to have any control over the military.

Eisenhower has received word from his American observers that Premier Gaillard is very much like a man sitting on top of a volcano. If he makes concessions in Tunisia it may be the signal for his generals to revolt and install a right-wing dictatorship. The generals have even proposed an all-out blitz of Tunisia, claiming they could take over the entire country in three days.

Such a blitz, of course, would be the signal for an Arab uprising against the West, extending from Morocco to Saudi Arabia; would probably lead to the "Nasserizing" or even the Sovietization of all North Africa.

## Junkets Into Space

Rep. Leo O'Brien, the Albany, N. Y., Democrat, was musing over his unexpected appointment to the new congressional committee on outer space.

"I'm going to introduce a resolution that there be no travel by the committee," he joshed. "There wouldn't be any point in junkets anyway. I understand there aren't any State Department counterpart funds on the moon that the committee could spend.

"If there are any junkets, I'm going to suggest that we send the most junior member of the committee. If he gets back all right, maybe I'll go on the second trip."

## Insurance Windfall

grams to create jobs haven't deterred the big life insurance companies who came before the Senate Finance Committee last week in search of a \$124 million retroactive tax cut.

For nine years out of the past ten, the insurance moguls have come to Congress for special legislation to avoid paying taxes at the regular rate established in 1942. This year a special tax concession, sponsored by Wilbur Mills, Arkansas Democrat, whipped through the House like a breeze but was held up in the Senate Finance Committee by Sen. Clinton Anderson of New Mexico, himself an insurance man.

Subsequent testimony revealed that the Prudential Insurance Company will put away windfall profits of \$18.5 million if the special tax bill is again enacted.

Laurence F. Lee Jr., president of Peninsular Life Insurance of Jacksonville, Fla., a small company, testified that his firm would have a 1957 deficit of \$81,900 under the loophole formula and a deficit of \$120,000 if it paid taxes under the permanent 1942 law. Sen. George Smathers of Florida asked whether this would put Peninsular Life out of business.

"No, but it would prevent us from employing more people instead of making us cut back," Lee replied.

Sen. Albert Gore of Tennessee pointed out that in an earlier statement Lee described the deficit as a "planned" loss.

"I may be telling trade secrets," replied Lee, "but we've been planning an expansion in Puerto Rico and we spent more than we took in."

"Then your deficit was a result of capital investment in the development of new territory," Gore stated. "In that case you are not surprised at the losses. They are not attributable to taxes under the present law."

Gore recalled that one day earlier he had asked Charles A. Taylor, president of the Life Insurance Company of Virginia, whether the 1942 law imposes an unbearable burden of taxation on his company. Taylor's firm is one which planned its 1957 operation on the assumption that taxes would be paid at the regular 1942 rate.

"No, sir, I cannot come here begging for relief," Taylor re-